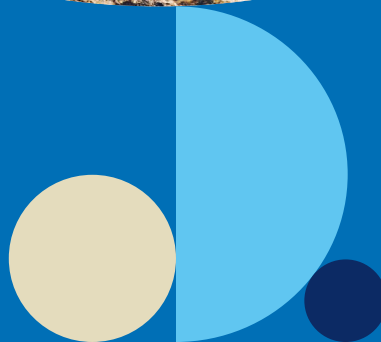


Modern Slavery Statement 2023



Statement Overview

This Modern Slavery Statement (**Statement**) outlines the submission by Zurich Financial Services Australia Limited (**ZFSA** or **Zurich Australia**) in response to sections 14 and 16 of the *Modern Slavery Act 2018* (Cth) (**the Act**). This is ZFSA's fourth annual modern slavery statement and covers the period between 01 January 2023 to 31 December 2023 (**reporting period**).

Entities covered by this joint Statement

This joint Statement covers ZFSA, ABN 11 008 423 372, and the following Australian subsidiaries:

- Zurich Australia Limited ABN 92 000 010 195
- Zurich Services (Australia) Pty Limited ABN 17 627 298 337
- Zurich Investment Management Limited ABN 56 063 278 400
- Zurich Australian Insurance Limited ABN 13 000 296 640
- Zurich Assure Australia Pty Limited ABN 58 657 804 736

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Acknowledgment of country

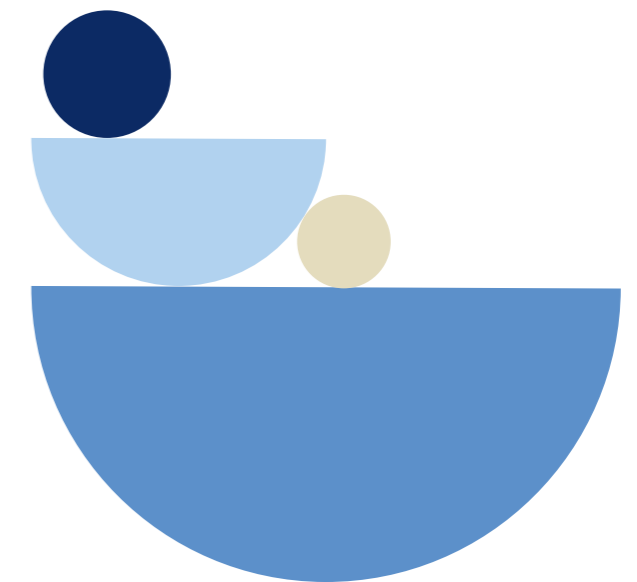
Zurich Australia acknowledges and pays respect to the past and present Traditional Custodians and Elders of this nation and the continuation of cultural, spiritual and educational practices of Aboriginal and Torres Strait Islander peoples.

Our commitment to combatting modern slavery

At Zurich Australia, we seek to maintain a stringent and unwavering stance against modern slavery throughout all facets of our operations and supply chain.

We strive to conduct ourselves in a manner that upholds social responsibility, seeking to prevent any violations of human rights within our scope of impact.

Our position on modern slavery is firmly rooted in our fundamental values and guided by both relevant legislation and globally recognised standards for anti-slavery conduct.



Zurich's Values

Zurich Australia is part of the global group of companies (Zurich Group) headed by Zurich Insurance Group Ltd (ZIG).

Our purpose – create a brighter future together – inspires us to use our business model to scale positive impact for us all, as an insurer, investor, employer and in society.



A few words from our Chief of Technology and Strategy

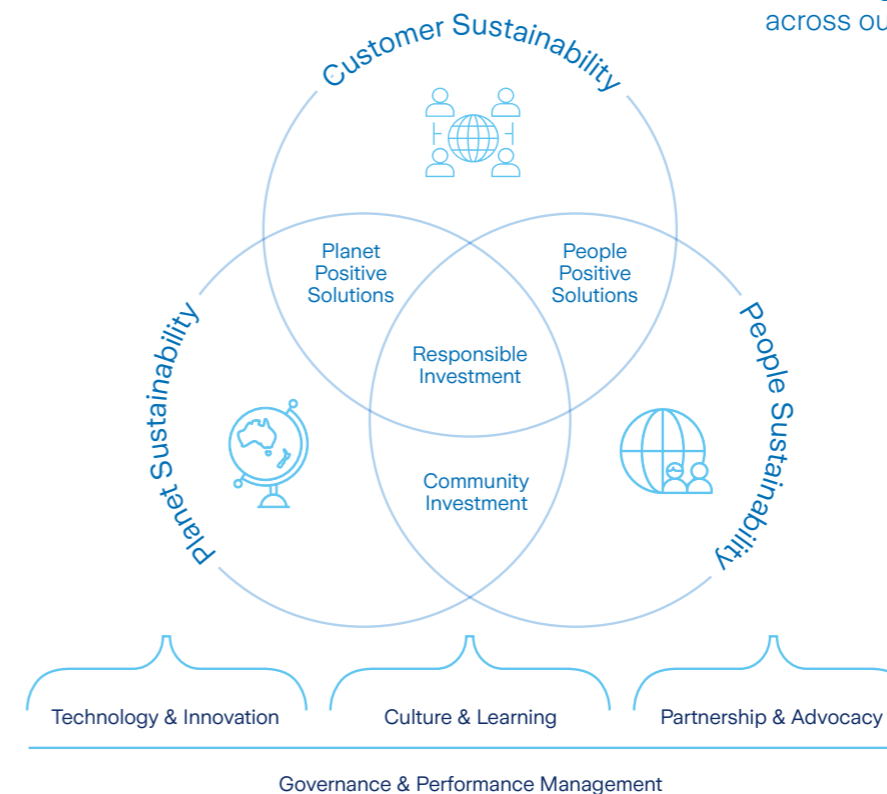
Shaneen Marshall, Chief of Technology & Strategy, is responsible for Zurich Australia & New Zealand's sustainability strategy and coordinating actions to embed sustainability across our business.



At Zurich we define Sustainability to include three things: People Sustainability, Planet Sustainability and Customer Sustainability.

People sustainability includes our respect for human rights within our sphere of influence, for example in our value chain.

We remain committed to fostering sustainability within our operations and alongside our partners across our value chain.”



Our organisation and structure

Structure

Our organisational structure¹ is largely the same as it was in 2022 – ZIG is the ultimate parent of the Zurich Group and Zurich Insurance Company Ltd (**ZIC**) is the parent company of Zurich Group's operations in Australia.

Below is an outline of Zurich Australia's corporate structure:

Zurich Financial Services Australia

Ultimate holding company for the Australian group, principal employer and service provider.

Zurich Australian Insurance Limited

General Insurance provider specialising in wholesale insurance for small business, corporate and multinational companies.

Zurich Australia Limited

Provider of direct retail life insurance products and group life insurance products such as income protection, TPD and trauma cover.

Zurich Services (Australia) Pty Limited

Employment services company.

Zurich Assure Australia Pty Ltd

Provider of financial advice.

Zurich Australian Insurance Properties Pty Limited

A property company (non-reporting entity).

Zurich Investment Management Limited

Distributes a range of managed investment funds covering a range of asset classes to retail and institutional clients.

Current as at 7 December 2023

1. Our structure has largely remained the same throughout the reporting period with a few exceptions. On 1 December 2023, the business of OnePath General Insurance Pty Limited (**OPGI**) was transferred to Zurich Australian Insurance Limited (**ZAIL**). For transparency, where our structure, operations and supply chain have remained the same over the reporting period, we have re-stated the same information in this statement as our previous statement.



Zurich Australia Supply Chain

Our sustainable sourcing practices continue to integrate social, ethical and environmental considerations into our supplier selection process.

Our suppliers and third parties are onboarded through a central platform which contains records of due diligence activities and documents. Our supply chain categorisation has remained relatively similar year-on-year.

Our breakdown for the 2023 reporting period is as follows:

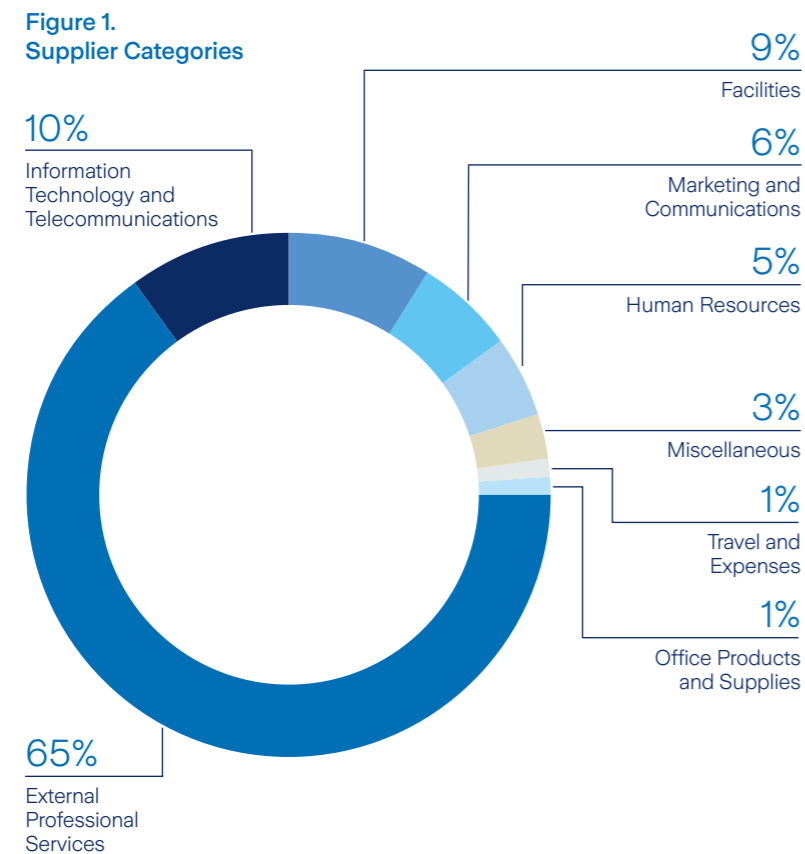
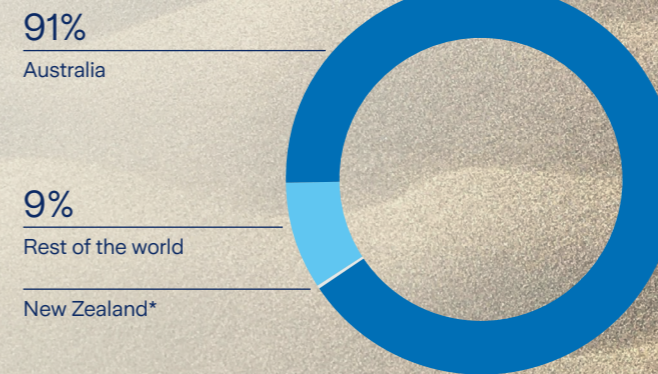


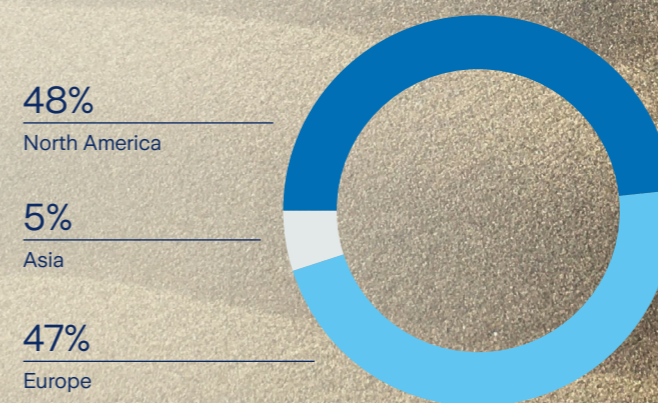
Figure 2. Supplier Geography



91%
of our suppliers are based in Australia

Consistent with 2022, the majority of our suppliers are located in Australia. For suppliers outside of Australia, our supply chain is concentrated in Europe and North America.

Figure 3. Rest of the world



95%
of our remaining suppliers are based in Europe and North America

We recognise that there is still work to be done in improving how we identify, assess, and address modern slavery risks in our supply chains. We are committed to making progress and continuously enhancing our practices in this area.

*New Zealand has been included in this year's supplier geography data and is represented in the graph. Their inclusion is approximately 0.04%.

Building on our efforts from 2022

Operations & People

Our commitment to enhancing our position as a sustainable employer is centred around ensuring the health, safety, and overall well-being of our employees. We strive to improve our approach to people wellbeing by offering guidance and solutions to foster a work environment that promotes employee growth and success.

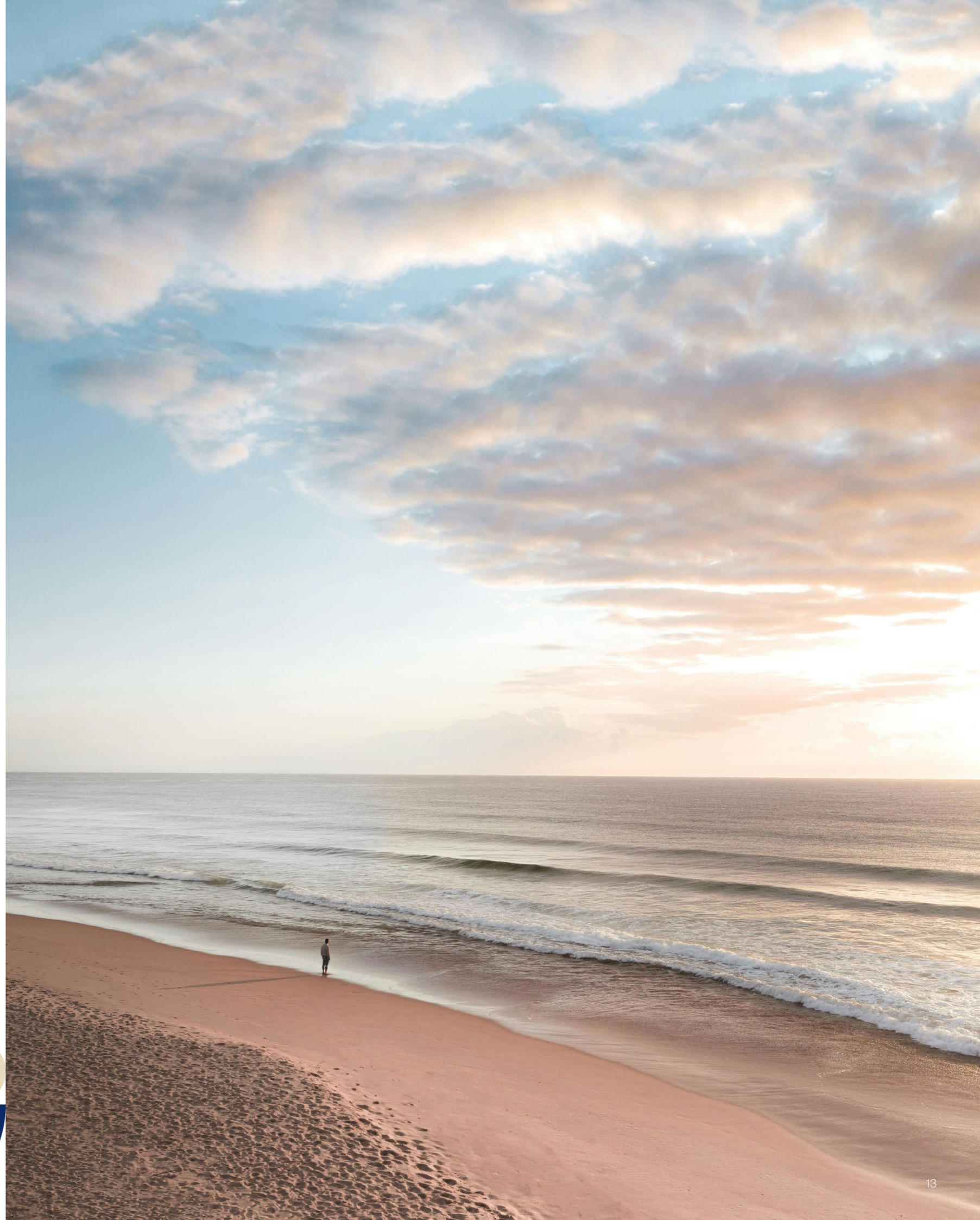
Over the course of 2023, we have made progress in the following areas:

- We rolled out the revised Speaking Up about Integrity Concerns Policy as further outlined in the 'Actions taken to address risks identified within Operations and Supply Chains' section.
- We've introduced a single Enterprise Agreement (**EA**) that has been carefully crafted to foster equality, consistency, and simplicity for our employees and the EA came into effect in February 2024. In addition to this, we introduced a new grievance channel and all our employees have access to this through various touchpoints on our intranet and through their reporting lines.

Supply chain

In 2023, we worked on initiatives to enhance our supplier due diligence. These included:

- **Supplier Due Diligence questionnaire simplification project:**
We collaborated with our Zurich Group Vendor Management team to enhance and streamline our supplier due diligence questionnaires. The output consisted of simplified, jurisdiction-specific due diligence inquiries, including those related to the regulatory framework for modern slavery in Australia.
- **Training programs for the Zurich Australia Procurement team:**
the Zurich Australia Procurement team completed a training program developed by our Zurich Group Vendor Management team. The course encompassed the supplier due diligence procedures outlined in our Third Party Governance Framework, which includes considerations related to human rights.



Identification of modern slavery risks across Zurich Australia's Operations and Supply Chains



Our approach

To determine areas of higher risk, Zurich Australia conducts an annual risk assessment.

The risk assessment considers four key factors that increase the likelihood or perception of potential modern slavery occurrences:

- **Vulnerable populations:** for instance, the use of unskilled, seasonal, or foreign workers or children
- **High risk industry categories:** for instance, hospitality, construction, manufacturing; where products or components of products are made in countries where there is a high risk of labour exploitation; products or services with extensive supply chains or multiple components
- **High risk business models:** for instance, labour hire and outsourcing arrangements
- **High risk geographies:** for instance, where a country is reported to have high prevalence of modern slavery; or where a country has conflict and weak rule of law or corruption.

Although these four key factors have remained relatively consistent since our last statement, we continue to review them annually to ensure their ongoing relevance and efficacy.

Operations & People

During our annual risk assessment, we evaluated the possibility of our workforce being directly affected by modern slavery or being exposed to associated risks.

The risk assessment factors are consistent with our previous statement and consider:

- workforce composition,
- workforce location,
- workforce age and nationality,
- the accessibility and adequacy of grievance channels, and
- our workforce knowledge of modern slavery risk factors.

A breakdown of our workforce distribution for the current reporting period is as follows:



Risk Rating & Rationale

After completing our assessment, we have determined that our modern slavery risks associated with our operations and people remain **Low**. As part of the assessment process, we identified we have limited visibility of hires through some third party agencies. In response to this, we are seeking to increase transparency by implementing monthly uploads from third party agencies into a dashboard that is accessible to managers.



Supply Chain

In 2023 we further examined the likelihood of our business contributing to modern slavery harm, either directly or indirectly, through our supply chain.

In addition to the 4 key factors we've identified on the previous page as increasing the likelihood or potential for modern slavery harm, we've increased focus on suppliers in the following industries to inform the results of our risk assessment:²

- facilities services – e.g., cleaning, security personnel, general building maintenance, personnel required for our office fit-out (builders),
- printing, stationery, and mail house services,
- hospitality and catering services,
- IT services – e.g., hardware, software, and e-waste recycling, and
- external professional services – e.g., third party labour hire services, external fund managers.

We used the above criteria to identify third parties performing these services and issued them with our 'high risk' supplier questionnaire.

High risk supplier questionnaire

We used the output from the annual risk assessment, reporting from our Procurement and Finance teams, as well as industry expert resources like Walk Free's Global Slavery Index report to identify suppliers who are considered in the 'high risk' categories. We consider high risk suppliers as those with significant human involvement in their operations and/or those situated in areas with elevated indications of modern slavery risk. For this year's high risk supplier questionnaire, we expanded our focus in the following areas:

- understanding the level of visibility our suppliers have of their own supply chain,
- whether they utilise suppliers and/or subcontractors for the procurement of goods or services to our organisation, and
- whether they require their suppliers to conduct due diligence on the supplier's supply chain (i.e. tier 2 and beyond).³

This year we have received a response rate of 90%.

Both our larger and smaller suppliers' responses showed more consideration being given to modern slavery and

human rights risks within their supply chains. A review of responses from our smaller suppliers indicated that over 90% have some form of official policy or procedure such as a whistleblowing policy, a human rights policy, and/or a code of conduct policy in place within their organisation.

Responses from our larger suppliers differed depending on the maturity level of their modern slavery frameworks, controls and reporting mechanisms. Suppliers with more established frameworks have comparable due diligence processes to address human rights and modern slavery generally, especially those who provide external professional services (e.g. external fund managers and third party labour hire organisations). Further analysis of responses revealed approximately 80% of our larger suppliers have made enhancements to their modern slavery processes and policies within the 2023 calendar year, with only two reporting no enhancements to their framework. Two of our largest suppliers providing third party labour hire services reported enhancements to their modern slavery risk management framework, including introducing an independent whistleblower hotline and updates to their due diligence process.

Risk Rating & Rationale

The risk associated with Zurich's supply chain is considered to be **Low-Medium**.

We engage and manage our supplier relationships through our Third Party Governance Framework (TPGF) and our sustainable sourcing program. We conduct supplier due diligence and ongoing monitoring through Synergi, which is our Zurich Group global third party management system. Our relationship managers also conduct regular relationship management meetings and annual reviews of their third parties (which may include any relevant annual attestations as required under the individual agreements). This is discussed in more detail in the next section.

Occasionally, we are presented with situations that put our framework to the test. A situation arose during the reporting period where our Zurich Group screening tool detected a potential breach of child labour laws by one of our suppliers' related entities. In investigating the matter, we did not find any gaps with our onboarding process of the supplier, and the supplier exhibited high standards of integrity and proactive engagement throughout our consideration of this matter. The matter served as an opportunity for us to refine our remediation approach, thereby strengthening our capacity to efficiently and effectively manage any future matters that may arise.

2. These risks are general in nature and do not identify any actual instances of modern slavery harm. Our approach is consistent with our previous Statement, however, we have considered further sub-groups within some of the listed industries for this Statement.

3. This is a non-exhaustive list, and we ask suppliers to provide a response on a number of modern slavery related issues in the questionnaire.

Case study – Zurich office fit-out

Zurich Australia understands there may be an elevated risk of modern slavery practices (including labour exploitation) in the construction industry due to a number of factors, such as the reliance on low-skilled labour, the temporary nature of much of its work, the complexity of its supply chain, and the prevalence of subcontracting.

In 2023, Zurich Australia engaged 'Supplier A' to undertake the fit-out of one of its offices. Several internal stakeholders were involved including Procurement and Legal, and the project was led by the Chief of Staff - Workplace Experience and Services - business unit.

As part of the tender and due diligence process, we engaged an external project management firm to run the tender which included an evaluation scoring criteria. The external firm conducted a comprehensive assessment of Supplier A's operations and supply chain, the results of which were shared with the Zurich Australia Procurement team. The evaluation criteria contained scoring against various factors including adherence to workplace health and safety laws. The contract with Supplier A was handled by an external law firm specialising in construction law and included provisions around the adherence to workplace health and safety legislation, extending these requirements to Supplier A's direct staff and their subcontractors.

Supplier A was also included in our annual higher risk supplier questionnaire process which this year expanded on tier 2 supplier relationships i.e., their suppliers. Supplier A's responses provided positive assurance that they have adequate due diligence processes



in place to mitigate modern slavery risks. For instance, as part of their own subcontractor/supplier pre-qualification process, Supplier A obtains responses around whether their suppliers are required to report under the Act; whether their suppliers have a modern slavery process or procedure document in place, and whether their suppliers are aware of any risks and/or breaches in the suppliers' supply chain. Supplier A reported they had also recently carried out a modern slavery risk assessment to identify higher risk supplier categories and had assembled a committee to help embed actions arising out of their risk assessment as part of their Modern Slavery Action Plan.

The information gathered during the due diligence process was instrumental in fostering transparency and providing the necessary support to establish this relationship and helped lay the groundwork for our partnership with Supplier A. We've chosen to engage with Supplier A once more to complete the fit-out of another of our offices and have since incorporated specific modern slavery clauses in this contract, and will carry similar changes across other like arrangements.

Investments

Risk Rating & Rationale

We have assessed this risk as **Low**.

Our annual risk assessment also considered our investments business, Zurich Investment Management Limited (ZIM), and whether our external fund managers' trading activity has caused, contributed to, or is directly linked to modern slavery harm.

Human rights and anti-slavery conduct are embedded into our external fund manager due diligence framework. The ZIM team continue to conduct pre-selection checks on our external fund managers, and monitor these relationships through quarterly attestations, bi-annual compliance reviews and annual questionnaires.

Underwriting

We have assessed this risk as **Low**.

Our risk assessment broadly captures the potential exposure to modern slavery through our underwriting operations in our general insurance business.

Zurich Australia follows the Zurich Group Underwriting Guidelines. The Zurich Group Underwriting Guidelines and the accompanying Human Rights Assessment Checklist provide safeguards against modern slavery risks – for instance, the underwriting guidelines require the exclusion of customers who have a verified record of human rights violations without evidence of remedial actions. In addition, where the requirement to undertake a human rights assessment is warranted, the Human Rights Assessment Checklist requires the underwriter to consider sensitive country locations and industries, and any adverse media screening or reports.



Actions taken to address risks identified within Operations and Supply Chains

We are committed to continually improving the way we address modern slavery risks within our sphere of influence, and we've built on the foundational actions we've taken as reported in our previous Statement.



Operations

Zurich Australia Modern Slavery Policy and Framework

In 2023, we put considerable effort into updating our Zurich Australia Modern Slavery Framework, including refining and improving our approach to how we remediate any issues detected with our supply chain.

We streamlined our employee-facing Modern Slavery Policy which amongst other things, details content relating to key modern slavery risks such as forced labour, discrimination and occupational health and safety. We provide our employees with clear information about channels for raising grievances and reporting concerns, and our Modern Slavery Policy is subject to annual review by our Compliance team.

We also progressed our Modern Slavery Enforceable Guideline which was finalised in early 2024 and includes details of our Remediation Framework. We're pleased to report that no instances of modern slavery harm were identified during the reporting period. As mentioned above, we dealt with an incident relating to a situation where a supplier's related entity failed to obtain relevant child labour working permits or licenses. Although we did not utilise the Remediation Framework in its entirety for this matter, it assisted in our considerations of how we engage with relevant senior stakeholders to investigate and bring such matters to a close.

Employee awareness of modern slavery risks is a key control underpinning our Modern Slavery Policy. During the reporting period, we provided both general and specific mandatory training to our employees, which provided guidance to them on how to identify and escalate potential modern slavery risks. Each employee is required to undertake mandatory training on the Zurich Code of Conduct which contains a section on human rights and modern slavery as well as financial crime training which incorporates modern slavery as a topic. We also conducted role specific training with an external law firm for certain teams and employees who have a key role in the modern slavery framework – e.g. supplier relationship managers, Procurement, People and Culture (P&C) and Compliance.

Zurich Australia Speaking Up about Integrity Concerns Policy ('Speak Up Policy')

In 2023, we rolled out a revised Speaking Up about Integrity Concerns Policy – this was previously known as our Reporting Improper Conduct and Concerns (Whistleblower) Policy. The revisions include the addition of a Triage Committee comprised of representatives from Compliance, People & Culture and Legal which is responsible for jointly reviewing Integrity Concerns raised by employees and determining appropriate next steps, including whether an investigation is required, and which function or investigator should take the lead. In addition, Zurich Australia people managers are required to record Integrity Concerns raised with them using a new Open Door report form.

The Speak Up Policy covers a broader range of concerns than the previous policy and requires multiple channels to be available for all employees to confidentially report their concerns, including the Zurich Ethics Line as well as reporting to people managers, Compliance, P&C, Legal or through our incidents and breaches database. In September 2023, we rolled out training on the Speak Up Policy and the Compliance team communicate to staff regularly about the avenues for raising concerns (including on an anonymous basis).

Zurich Australia People and Culture protocols

At Zurich we pride ourselves on our commitment to maintaining a recruitment process that is impartial, ethical, and professional. Our P&C policies and procedures are crafted to ensure that our employees are recruited and employed in a manner that is both fair and compliant with regulations.

In addition to this and as part of our annual remuneration cycle, we utilise an externally accredited assessment tool to conduct a comprehensive analysis of both pay equity and the gender pay gap. This enables us to identify any existing inequities and make necessary adjustments to ensure gender pay equity is maintained for comparable roles. We are pleased to say we reduced the gender pay gap by 5% over a 12-month period and we are now below the insurance industry average in Australia.⁴

Our overarching employee wellbeing framework comprises of four pillars - physical, social, mental, and financial – feeding into Zurich Group's global holistic wellbeing framework. To support the holistic wellbeing framework, Zurich Australia:

- introduced additional webinar series to the Zurich Care Hub which delivers training sessions, resources, and support for all employees,
- continues to partner with SmartCulture to deliver the Respect at Work program which aims to embed awareness, education and the prevention of all forms of bullying, harassment and discrimination, and
- submitted our first gender pay gap statistics to the Workplace Gender Equality Agency during the reporting period.

4. Zurich Insurance Group Annual Report 2023, 'Sustainability report'



Supply Chain

When working with suppliers, we apply the principles outlined in our Third Party Governance Framework (TPGF).

The TPGF is a Zurich Group model which uses a risk-based approach to due diligence (including on human rights-related issues) and is underpinned by an annual risk assessment and the Zurich Group Supplier Code of Conduct. When interacting with suppliers, we aim to promote international best practice standards to manage any adverse modern slavery and human rights impact.

Zurich Australia supplier due diligence and ongoing monitoring

Supplier due diligence

Zurich Australia's supplier due diligence follows the requirements of the TPGF. The TPGF works in tandem with Synergi. Supplier responses to each due diligence questionnaire require assessment from relevant subject matter experts within the business such as Compliance, Risk Management, Information Security, and others. Zurich Group conducted its annual risk assessment in 2023 to assess the Group's overall risk exposure to human rights violations within the supply chain. The assessment analysis concluded there is limited potential for potential adverse impacts on human rights, and a secondary assessment in the context of child labour found no reasonable suspicion of child labour across the Zurich Group supply chain.

The supplier selection process has remained relatively consistent since our previous Statement. The Synergi due diligence questionnaires ask potential suppliers to affirm their compliance with anti-modern slavery practices including the use of forced labour. In 2023, our Zurich Group Vendor Management colleagues worked on a Synergi simplification project which revised questions relating to modern slavery. The question set now covers:

- employee and contractor recruitment,
- the process taken to mitigate the risk of modern slavery within their own operations and supply chain when onboarding third parties,
- how the relationships are monitored and/or reviewed, and
- whether training is delivered and if yes, whether this is tailored to higher risk groups, such as their procurement team.

Our Compliance team is responsible for reviewing these sections of the questionnaire and to conduct further enquiries if adequate arrangements are not in place. Zurich Australia Executives continue to affirm that due diligence procedures are being adhered to and properly executed on an annual basis.

Furthermore, Zurich Australia incorporates clauses relating to modern slavery in third party agreement templates. Our Master Services Agreement Template has specific reference to the Supplier Code of Conduct, the inclusion of which is subject to the risks presented by the specific third party.

Ongoing Monitoring

Ongoing monitoring practices at Zurich Australia have remained consistent with our previous Statement. Relationship managers maintain oversight over their third party agreements via regular interactions with suppliers – e.g. regular meetings, reporting and annual reviews. For our material and critical suppliers, our relationship managers and Risk Management team carry out annual assessments asking the supplier to affirm compliance with the Modern Slavery Act, among other regulatory obligations. Our Compliance team evaluates responses provided by suppliers as part of this process.

In addition, Zurich Group use a software tool that utilises artificial intelligence to screen publicly available information such as news reports, social media posts and NGO reports to monitor potential ESG-related (including human rights) supply chain issues. This is the tool that helped identify the supplier incident mentioned in the supply chain risk rating and rationale section.



Effectiveness of Zurich Australia's actions

We are committed to reviewing the processes in place to assess whether we have been managing modern slavery risks effectively.

For the reporting period, we have identified the following measures/processes to assess our effectiveness:

- **Speaking Up about concerns** – we did not receive any reports of modern slavery-related concerns via our grievance mechanisms;
- **Supplier due diligence** – no adverse human rights indications were identified through the high risk supplier questionnaires;
- **Annual Framework review** – we updated our Modern Slavery Local Policy and Modern Slavery Enforceable Guideline and created a Modern Slavery intranet page for all employees to access which contains our local framework documents as well as links to external industry expert websites and reports;
- **Annual training** – our training completion results were 100% for the reporting period;
- **Governance** – consistent with our previous Statement, the Zurich Australia Boards continue to provide formal oversight across Zurich Australia entities for modern slavery and receive reporting by the Compliance team to relevant Board Committees on the Framework (by exception and when appropriate).

Consultation

Our process of Consultation is consistent with our previous Statement. We collaborated with representatives from key business units to help prepare the Statement. The Statement has been shared with all Zurich Australia subsidiaries, and is approved by the ZFSA Board.



2024 and beyond

Although Zurich Australia operates in an environment where Modern Slavery risk is considered low, we feel there is a positive contribution we can make to evolve and mature our business approach and to influence and guide our strategic partners in how they manage their risks.

With this in mind, Zurich has a number of activities planned for 2024 including:

- Consolidating suppliers onto centralised finance and operational systems to increase visibility and accessibility, and making identification of risks and assessments more efficient.
- Continuing to deliver up to date, refreshed training content for employees.
- Continuing to integrate human rights and people sustainability capabilities across our value chain – for instance, working with different business units to improve how we identify, assess and monitor third parties that present heightened modern slavery risks.
- Collaboration with industry experts on our Modern Slavery framework – e.g. through training, review of policies and supplier due diligence.

Endorsement

This joint Statement has been approved by the Board of ZFSA on 23 May 2024. The ZFSA Board has approved this Statement on behalf of all Zurich Australia reporting entities:

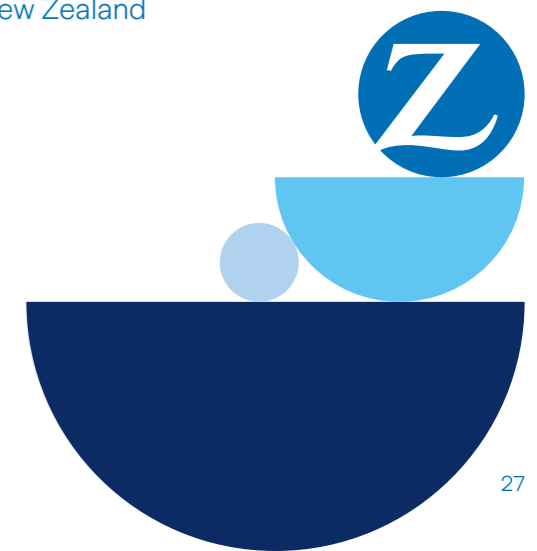
- Zurich Australia Limited
- Zurich Services (Australia) Pty Limited
- Zurich Investment Management Limited
- Zurich Australian Insurance Limited
- Zurich Assure Australia Pty Limited

The Statement has been signed by the Chief Executive Officer of Zurich Australia and New Zealand, covering each reporting entity:



A handwritten signature in black ink, appearing to read 'Justin Delaney'.

Justin Delaney
CEO Zurich Australia and New Zealand
3 June 2024



Zurich Financial Services Australia Limited
ABN 11 008 423 372
118 Mount St, North Sydney NSW 2060
www.zurich.com.au

The trademark depicted is registered in the name of Zurich Insurance Company Ltd
in many jurisdictions worldwide.

ACHD-021963-2024

